

### Remarks

The application has been amended in response to the Office Action dated August 28, 2000. The amended claims even more clearly distinguish over U.S. Patent Nos. 5,787,404 to Fernandez-Holmann (Fernandez-Holmann), 6,014,636 to Reeder (Reeder), and 5,920,847 to Kolling et al. (Kolling), individually or in combination.

The Office Action rejected claims 17 and 21 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claims 17 and 21 have been amended to incorporate "A computer-implemented method" in the preamble, as suggested by the Examiner in the Office Action. (See Claims 17 and 21 and Office Action, ¶ 5). Accordingly, applicants respectfully submit that, upon entry of the amendments, claims 17 and 21 surmount the 35 U.S.C. § 101 rejection and are in condition for allowance.

The Office Action rejected claims 1-3 under 35 U.S.C. § 102(e) as being anticipated by Fernandez-Holmann. The method taught by Fernandez-Holmann comprises "providing an investment account with a financial institution . . . for the benefit of the credit card holder [and] funding the investment account by the credit card issuer with a predetermined amount of money on a periodic basis". (Column 2, lines 29-36). According to the present invention claimed in claim 1, upon which claims 2 and 3 are dependent, the credit card has "encoded information thereupon that associates the cardholder with a plurality of clubs, merchants or service providers". (Claim 1, lines 5-6). There are at least several distinctions between the present invention and the method taught and disclosed by Fernandez-Holmann. First, the investment account, as disclosed by Fernandez-Holmann, is connected to and "funded against the credit based account of the credit card holder." (Column 2, lines 37-38). This connection with a credit based account, as disclosed by Fernandez-Holmann, is distinguished from the credit instrument

of the present invention which comprises a "credit card having encoded information thereon". (Claim 1, line 5). The method disclosed by Fernandez-Holmann does not utilize, as claimed in the present invention, a "credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers". (Claim 1, lines 5-6).

Second, in the method disclosed by Fernandez-Holmann, a single investment account is funded from a credit based account. In contrast, the credit instrument of the present invention comprises a "credit card . . . that associates the cardholder with a *plurality* of clubs, merchants or service providers". (Claim 1, line 6). Fernandez-Holmann does not teach or disclose the use of multiple investment accounts or "a plurality of clubs, merchants or service providers", with a credit based account or with a credit instrument.

Third, Fernandez-Holmann does not teach or disclose a method to "automatically charge fees" or by "which automated charges can be effectuated", as claimed by the present invention. (Claim 1, lines 1 and 6-7). Rather, Fernandez-Holmann discloses a "credit card retirement rebate system" (Column 4, line 9) which "establishes an investment fund for the benefit of the credit card holder, into which payments will be made by the credit card issuer in the form of monthly credit-based contributions and/or rebates". (Column 4, lines 4-7). Fernandez-Holmann discloses and teaches a system of "contributions and/or rebates", which is distinguished from the "automated charges" of the present invention. Thus, the invention claimed in claims 1-3 distinguishes over Fernandez-Holmann, for at least the foregoing reasons.

The Office Action rejected claim 13 under 35 U.S.C. § 102(e) as being anticipated by Reeder. Reeder teaches "a method that allows a customer to make a POS payment for products or services using [interactive television] or the [World Wide Web] by swiping the customer's debit or credit card through a magnetic stripe reader at the customer's location at the moment of

sale.” (Column 2, lines 6-10). According to claim 13, the present invention is a “server-based networked system . . . comprising . . . a server[;] . . . a plurality of user systems for submitting applications; and a network interfacing said server and said plurality of user systems.” (Claim 13, lines 1-10). Reeder discloses a user terminal located at the customer’s location. (See Column 3, lines 17-20). However, Reeder does not disclose or teach that the user terminal is for submitting applications, as claimed in claim 13. Rather, the user terminal disclosed by Reeder is for making “a POS payment either by authorizing direct debit from [a] debit card account or bank account or by authorizing a charge to [a] credit card account.” (Column 2, lines 12-14). Thus, the invention claimed in claim 13 therefore distinguishes over Reeder, for at least the foregoing reasons.

The Office Action rejected claims 21-23 under 35 U.S.C. § 102(e) as being anticipated by Kolling. Kolling teaches a bill payment network where “participating consumers pay bills to participating billers using a bill payment network . . . . The participating consumers receive bills from participating billers . . . which indicate an amount . . . . To authorize remittance, the consumer transmits to its bank . . . , or an agent of its bank or any other party connected to the network, a transaction indicating (1) an amount to pay, (2) the source of the funds, (3) a date on which to make the payment, (4) consumer’s . . . account number with biller . . . , and (5) biller’s [biller reference number].” (Column 11, lines 6-24). Every embodiment disclosed and taught by Kolling requires the consumer or the biller to initiate a payment transaction. The present invention, in contrast, does not require the consumer or biller to initiate a payment transaction. As claimed in claim 21, the method of the present invention is one in which “clubs, merchants or service-providers [are] to be paid automatically”. (Claim 1, lines 4-5).

The application of the present invention discusses the disadvantages of the type of system or network disclosed by Kolling which requires "the consumer [to] initiate the transaction each month by mail, telephone or computer." (Application, page 2, lines 5-6). For example, Kolling requires that "the club must await the submission of payment from the consumer for each cycle." (Application, page 2, lines 15-16). Under Kolling, the consumer is burdened by authorizing transactions each month and the biller is burdened by initiating "the transaction with the card provider by submitting a separate charge for each consumer on each payment cycle." (Application, page 2, lines 21-23). The present invention solves these disadvantages by providing for a method whereby "clubs, merchants or service-providers [are] to be paid automatically". (Claim 21, lines 4-5).

Further, Kolling does not does not disclose or teach the payment or the authorization for payment of regular or cyclical dues or fees. In contrast, an element of the present invention is "periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due". (Claim 21, lines 6-7). Subsequently, "a batch of transaction requests [are submitted] . . . to a transaction processor". (Claim 21, lines 8-10). Thus, the invention claimed in claims 21-23 distinguishes over Kolling, for at least the foregoing reasons.

The Office Action rejected claim 4 under 35 U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann. As discussed above in reference to claim 1, upon which claim 4 is dependent, the method taught by Fernandez-Holmann comprises an "investment account with a financial institution". (Column 2, line 29). In contrast, the present invention claims a credit card with "encoded information thereupon that associates the cardholder with a plurality of clubs, merchants or service providers." (Claim 1, lines 5-6) Thus, Fernandez-Holmann does not teach a credit instrument like the claimed invention, including a credit card with "encoded information

thereupon that associates the cardholder with a plurality of clubs, merchants or service providers". (Claim 1, lines 6-8).

The Office Action rejected claims 5-12 and 17-20 under U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann in view of Reeder and Kolling. However, Fernandez-Holmann, Reeder, Kolling, or any combination of these references, does not teach a system or method like the claimed invention. Independent claim 5 claims "a database containing information of a plurality of cardholders including information describing charges to be processed automatically for a club, merchant or service-provider." (Claim 5, lines 10-12). Independent claim 17 claims a "database [including] information of a plurality of clubs, merchants or service-providers agreeing to auto-charging of dues or fees". (Claim 17, lines 6-8). As previously discussed, neither Fernandez-Holmann, nor Reeder or Kolling, disclose or teach such a database.

Further, claim 5 claims "a server adapted to interface with user systems for receiving applications". (Claim 5, lines 3-4). As previously discussed, neither Reeder, nor Fernandez-Holmann or Kolling, disclose or teach a user system or systems for receiving applications.

Additionally, claim 5 claims "a server adapted to interface with user systems for . . . batch processing of auto-charge transactions" and "a dues processor system for processing batch files of auto-charges". (Claim 5, lines 3-9). Claim 17 claims "database information of a plurality of clubs, merchants or service-providers agreeing to auto-charging of dues or fees". (Claim 17, lines 6-8). In contrast, Fernandez-Holmann, Reeder, Kolling, or any combination of these references, does not teach a database or batch processing of auto-charge transactions. The Office Action states that "[n]either Fernandez-Holmann nor Reeder specifically disclose a dues processor system for processing batch files of auto-charges." (Office Action, page 8, lines 1-2).

The Office Action relies upon Kolling to provide the element of auto-charge transactions. (See Office Action, page 8, lines 6-7). However, as previously discussed, Kolling does not disclose or teach the auto-charge transactions claimed by the present invention. Each of the embodiments disclosed by Kolling require either the consumer or the biller to initiate the transaction. Thus, for at least the foregoing reasons, the invention claimed in claims 5-7 and 17-20 is not taught by Fernandez-Holmann, Reeder, or Kolling, either by themselves or in combination.

The Office Action rejected claims 14 and 15 under 35 U.S.C. § 103(a) as being unpatentable over Reeder. According to the present invention, claim 13, upon which claims 14 and 15 are dependent, claims "a server for receiving applications . . . and processing auto-charges to clubs, merchants or service-providers." (Claim 13, lines 4-6). In contrast, Reeder does not disclose or teach a server which can receive applications. Likewise, Reeder does not disclose or teach a server which can process auto-charges or auto-charges to clubs, merchants or service providers." Additionally, claim 13 claims "a plurality of user systems for submitting applications". (Claim 13, line 7). As previously discussed, Reeder does not disclose or teach user systems for submitting applications. For at least the foregoing reasons, Reeder does not teach the invention claimed in claims 14 and 15.

The Office Action rejected claim 16 under 35 U.S.C. § 103(a) as being unpatentable over Reeder in view of Fernandez-Holmann. However, neither Reeder nor Fernandez-Holmann, or any combination of these references, teach a server-based networked system like the claimed invention including "a server for receiving applications . . . and processing auto-charges to clubs, merchants or service-providers" and "a plurality of user systems for submitting applications." (Claim 13, lines 4-7).

The Office Action rejected claims 24 and 25 under 35 U.S.C. § 103(a) as being unpatentable over Kolling. However, as previously discussed with regard to claims 21-23, upon which claims 24 and 25 are dependent, Kolling does not teach a method like the claimed invention, including "periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due" (Claim 21, lines 6-7) and "automatically transferring funds" (Claim 22, line 2 and claim 23, line 2).

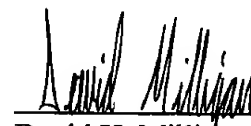
Claims 8, 13 and 16 have been amended to correct informalities.

All pending claims consequently distinguish over the references applied in the Office Action. This application is therefore in condition for allowance, acknowledgment of which the applicants respectfully solicit. Should, however, the Examiner discover any remaining issues before allowance, the Examiner is kindly invited to contact the undersigned by telephone to expedite the resolution of the same.

Respectfully submitted,

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